



**OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

NEWS

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Treasurer Applauds Dodd's Proposed College Tax-Credit Plan

State Treasurer Denise L. Nappier is applauding U.S. Senator Christopher J. Dodd, D-Conn., for proposing legislation that would make it easier for low- and moderate-income families to send their children to college.

Dodd's proposed legislation -- the College Saver's Credit Act -- gives qualifying families a tax break on their federal income tax and rewards families that save for college using the Connecticut Higher Education Trust (CHET) or any 529 college savings plan. If adopted by Congress, this law would give families a 50 percent refundable federal income tax credit, up to \$2,000, when they save for college with CHET or a 529 plan.

CHET (Connecticut Higher Education Trust) is Connecticut's official 529 savings program, an education savings plan that helps families set aside money for future college costs. The program is overseen by state Treasurer Nappier, who serves as Trustee, and is administered by program manager TIAA-CREF.

"Tax advantages give parents an economic incentive to save for their children's education, and they also helps ease a family's financial burden," Nappier said. "Too many of our bright young people are being priced out of a higher education due to declining student aid."

Last year, Nappier successfully lead an effort to establish a state income tax deduction for Connecticut families that save for college with CHET. Under that law, Connecticut tax payers may receive a tax deduction up to \$10,000 for contributions to CHET.

A CHET account may be opened with as little as \$25 and or as little as \$15 per pay period using payroll deduction through participating employers.

Dodd's proposal would allow any income-qualified individual, whether they are a parent or just someone who cares about a child's future, to claim the tax benefit when they contribute to a 529 plan.

Currently, CHET has approximately \$950 million in assets with over 66,000 accounts, up from \$42 million in assets with approximately 6,700 accounts in 2000 when Nappier revamped the program to make it more affordable and accessible to Connecticut residents.

"Senator Dodd's proposal is about investing in our children's futures and in the future of this country," Nappier said. "Statistics show that college graduates earn almost twice as much annually as those with only a high school diploma, so we should give families every opportunity and incentive to help their children reach their full potential."

For more information on CHET, visit the web site www.aboutchet.com.

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